

# SENATE RECORD VOTE ANALYSIS

106th Congress  
1st Session

Vote No. 200

July 13, 1999, 7:23 p.m.  
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## HEALTH INSURANCE REFORM/Cost and Insurance Loss Caps

**SUBJECT:** Patients' Bill of Rights Act . . . S. 1344. Nickles amendment No. 1236, as amended.

### ACTION: AMENDMENT AGREED TO, 52-48

**SYNOPSIS:** As introduced, S. 1344, the Patients' Bill of Rights Act, contains the text of S. 6, a health insurance regulation bill proposed by Senator Kennedy and other Democrats. The bill: will regulate the structure and operation of all health insurance products at the Federal level; will impose extensive mandates on consumers, health insurers, and employers; and will create new rights to sue employers and insurers for unlimited compensatory and punitive damages. As estimated by the Congressional Budget Office (CBO), this Democratic plan will cause insurance premiums to rise by an average of 6.1 percent (which will be in addition to any increases from inflation or other causes). The 6.1-percent cost increase, which will total \$72 billion over 5 years, will cause approximately 1.8 million Americans to lose their health insurance coverage.

**The Nickles amendment** would provide that this Act would not apply to any group health plan if its application in a year caused (or would cause, as determined by a certified actuary) that plan's premiums to rise by more than 1 percent, and it would not apply to any group health plan if it caused (or would cause, as projected by the National Association of Insurance Commissioners) a decrease in 1 year of more than 100,000 in the number of privately insured Americans. As amended by the Frist amendment (see vote No. 199), it would also establish internal and independent external appeals processes to make certain that medical questions regarding the necessity and appropriateness of treatments that should be used for covered benefits would be made by doctors.

**Those favoring** the amendment contended:

This amendment goes to the heart of the debate. All Members want to address the problem that has risen in the managed care field of cost considerations being put ahead of giving patients the medical treatment to which they are entitled by their insurance policies. The question is not whether there is a problem, but how that problem should be fixed. Our first rule should be to "do no harm." We must make sure that the medicine we give is not worse than the disease. Two basic plans have been put forward. One plan, the

(See other side)

YEAS (52)		NAYS (48)			NOT VOTING (0)	
Republicans (52 or 94%)	Democrats (0 or 0%)	Republicans (3 or 6%)	Democrats (45 or 100%)		Republicans (0)	Democrats (0)
Abraham	Hutchinson	Chafee	Akaka	Kennedy		
Allard	Hutchinson	Fitzgerald	Baucus	Kerrey		
Ashcroft	Inhofe	Specter	Bayh	Kerry		
Bennett	Jeffords		Biden	Kohl		
Bond	Kyl		Bingaman	Landrieu		
Brownback	Lott		Boxer	Lautenberg		
Bunning	Lugar		Breaux	Leahy		
Burns	Mack		Bryan	Levin		
Campbell	McCain		Byrd	Lieberman		
Cochran	McConnell		Cleland	Lincoln		
Collins	Murkowski		Conrad	Mikulski		
Coverdell	Nickles		Daschle	Moynihan		
Craig	Roberts		Dodd	Murray		
Crapo	Roth		Dorgan	Reed		
DeWine	Santorum		Durbin	Reid		
Domenici	Sessions		Edwards	Robb		
Enzi	Shelby		Feingold	Rockefeller		
Frist	Smith, Bob (I)		Feinstein	Sarbanes		
Gorton	Smith, Gordon		Graham	Schumer		
Gramm	Snowe		Harkin	Torricelli		
Grams	Stevens		Hollings	Wellstone		
Grassley	Thomas		Inouye	Wyden		
Gregg	Thompson		Johnson			
Hagel	Thurmond					
Hatch	Voinovich					
Helms	Warner					

#### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

Kennedy bill, would impose sweeping and detailed new mandates, and burdensome new Federal regulatory processes, that would raise insurance costs for all Americans by an average of 6.1 percent and result in nearly 2 million people losing their insurance. The other plan, the Republican plan, would achieve the goals sought by the Kennedy bill at a much smaller cost and, in fact, would increase the number of insured in America because it would greatly expand the availability of health care through its Medical Savings Account and self-insured health insurance deductibility provisions. Thus, the choice we have is to fix the problem and greatly increase insurance costs and the number of uninsured Americans, or to fix the problem, increase costs slightly, and decrease the number of uninsured Americans. The Nickles amendment would draw this choice into sharp focus by providing that the provisions of the Kennedy bill, if enacted, would not be enforced if they increased costs by more than 1 percent or increased the number of uninsured by more than 100,000.

The Kennedy bill, unlike the Republican bill, would address the problems in the health insurance field with detailed, expensive Federal mandates. According to the CBO, when those mandates were fully implemented in 3 years, insurance costs for everyone in America would be 6.1-percent greater (that 6.1-percent increase would come on top of the expected inflation and other increases of the next several years). The American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) hired the Lewin Group to determine the effects of insurance price increases. The Lewin Group found that every increase of 1 percent in insurance costs resulted in 300,000 people joining the ranks of the uninsured because they were priced out of the market. Thus, using the non-partisan CBO numbers and a study commissioned by big labor, we know that the Kennedy bill would result in 1.8 million people losing their insurance coverage. They would be priced right out of the market. Mandated insurance benefits would not do those 1.8 million Americans any good if it made insurance unaffordable for them.

Our colleagues have responded to these facts with an inaccurate and misleading use of the cost statistics. First, they have started with the untrue claim that the CBO estimates that their bill would increase health insurance costs by 4.8 percent. The CBO made that estimate of a different version of the Kennedy bill, not the version that is currently pending. That other version had a lower cost only because Democrats had made the shameful proposal of eliminating the current-law consumer protection that gives every policy holder in a plan injunctive relief for receiving a particular service any time it is granted to one policy holder who seeks and gains it. Second, they suggested that this cost would be incurred fully over 5 years. However, the CBO said that the 6.1-percent increase would occur within 3 years. Third, they said that their "4.8-percent" increase over "5" years would come to about a 1-percent increase per year, which for an average family would be about \$2 per month. That number is extremely misleading because it does not take into consideration that the increases are cumulative. Thus, their estimate is based on two false numbers and an extremely misleading use of statistics. What will be the true cost once this bill is fully implemented? The CBO says that in 3 years, when the mandates are all in full effect, everyone's annual insurance bill will be an average of 6.1 percent higher. The average family insurance policy costs \$5,862, according to the accounting firm Peat Marwick; 6.1 percent of that amount is \$350, which comes to about \$30 per month. Our colleagues say that their bill will cost Americans the price of a Big Mac each month; maybe Big Macs cost \$30 each in Hyannis Port or Cape Cod, but they do not cost that much in middle America.

For those Americans who cannot afford that increase and lose their insurance as a result, the effects will be extreme. For instance, with 1.8 million fewer insured, there will be 188,595 fewer breast exams each year, there will be 52,973 fewer mammograms, and 23,135 fewer prostate screenings. There will be fewer children receiving shots, fewer checkups, and much needless suffering and death. We have a record 43 million Americans without insurance. The Kennedy bill would add 1.8 million Americans to that total.

Faced with these facts, our colleagues final defense has been to resort to name calling. They have suggested that these numbers have been bought and paid for by the insurance industry and that their bill will not be costly because unions support it. In response, we note that we have used estimates from the CBO and from a union study, not from the insurance industry, and while we are on the subject of bought and paid for, we note that the Kennedy bill would force everyone in America to rewrite their insurance contracts unless they have union insurance contracts; the Kennedy bill exempts them. Perhaps unions support the Kennedy bill because of the special interest provisions that have been included for them.

The largest obstacle to getting health insurance is cost. The number of uninsured Americans currently stands at a record-high 43 million. The Kennedy bill would increase that number to 45 million and would increase insurance costs for everyone else by \$30 per month. We oppose both those results, and thus support the pending amendment.

**Those opposing the amendment contended:**

The cost of this bill is \$2 per month. The CBO said it would be just a 4.8 percent increase over the next 5 years, which comes to a 1-percent per-year increase. For the price of a Big Mac, Americans would achieve huge improvements in their health care. Health Maintenance Organizations (HMOs) are prospering by denying needed care. They pay their chief executive officers (CEOs) enormous salaries for their disreputable work in denying that care. This huge insurance industry is phenomenally wealthy and active politically. It has dictated to Republicans the terms of a bill that it will accept, and it has started a disinformation campaign against the Kennedy bill. The idea that the Kennedy bill would end up denying Americans health insurance is preposterous, as can be shown by the fact that it is supported by unions. Unions would not support a bill that would make nearly 2 million Americans lose their insurance. Republicans need to quit bringing up their misleading statistics that are backed by the insurance industry. The cost of the Kennedy bill is minimal. The Nickles amendment should be rejected.